

In response to requests by the public to extend the comment period in order to provide additional time to review Nasdaq's Form 1, the Commission is extending the comment period on Nasdaq's Form 1 to August 29, 2001.

By the Commission.

Jonathan G. Katz,
Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-44614; File No. SR-CTA-2001-02]

Consolidated Tape Association; Notice of Filing and Immediate Effectiveness of Seventh Charges Amendment to the Second Restatement of the CTA Plan

July 30, 2001.

Pursuant to Rule 11Aa3-2¹ of the Securities Exchange Act of 1934 ("Act"), notice is hereby given that on July 3, 2001, the Consolidated Tape Association Plan ("CTA Plan") participants ("Participants")² filed with the Securities and Exchange Commission ("Commission" or "SEC") an amendment to the Second Restatement of the CTA Plan. In the amendment, the Participants propose to establish a new fee that applies to a vendor's dissemination of a real-time Network A last sale price information ticker over broadcast, cable or satellite television.

The Participants submitted this notice of proposed amendment to the CTA Plan, which is an effective national market system plan,³ pursuant to Rule 11Aa3-2(c)(1).⁴ The Commission is publishing this notice to solicit comments from interested persons on the amendment.

I. Description and Purpose of the Amendments

A. Rule 11Aa3-2⁵

The amendment seeks to establish as a permanent part of the Network A rate schedule a fee applicable to vendors

that disseminate a real-time Network A ticker over broadcast, cable or satellite television. The proposed fee is \$2.00 per 1,000 households reached. Each vendor must pay a minimum fee of \$2,000 per month.

The fee may be prorated where a vendor broadcasts the Network A ticker for only a portion of the trading day. The proration is determined by dividing the number of minutes that the vendor broadcasts the Network A ticker during the primary market's trading day into the total number of minutes in the primary market's trading day (excluding after-hours sessions). Currently, the primary market trades from 9:30 a.m. to 4 p.m. Eastern Standard Time (or for 390 minutes) on each trading day. So, if a vendor only broadcasts the Network A ticker for two hours during the trading day, it would calculate the Network A fee by (A) multiplying the number of households reached by (\$2.00 divided by 1,000 households reached) and (B) multiplying that product by (120 minutes divided by 390 minutes).

Where a vendor owns more than one network and broadcasts the Network A ticker simultaneously over more than one of its networks to a household, the vendor only needs to count that household once in the calculation of the number of households reached.

The Network A Participants propose to quantify the number of households reached for billing purposes through the use of the monthly *Nielsen Cable National Audience Demographic Report* (the "Nielsen Report"). For January through June of each year, the Network A Participants will base the bills upon the number of households reached as of the end of the preceding September, as published in the Nielsen Report. For July through December of each year, the Network A Participants will base the bills upon the number of households reached as at the end of the preceding March, as published in the Nielsen Report.

Where the Nielsen Report does not provide the number of households reached for a vendor as at the end of March or September, the Network A Participants will use the most recent figure that the Nielsen Report has published as at the end of any of the six months preceding that March or September. If the Nielsen Report does not provide the number of households reached during that period, then the Network A Participants will ask the vendor to report the number of households that its broadcasts reach as at the end of each September and March. The Network A Participants reserve the right to verify the accuracy of the vendor's report.

The new Network A ticker fee applies to any television broadcasts of the Network A ticker, whether through broadcast, cable or satellite television. The vendor's television ticker service may not enable the vendor's subscribers to customize or interrogate the ticker stream or to electronically capture and store the last sale price information included in the stream. The vendor must provide the same ticker to each of its subscribers.

The Network A Participants believe that the establishment of the proposed fee will contribute to the widespread distribution of real-time market data around the world because it will make it possible for individuals to view real-time Network A prices throughout the trading day through television.

As an administrative matter, the Network A Participants have also changed Schedule A-1's broker-dealer enterprise maximum monthly fee, and the description of that fee in Footnote 5 of Schedule A-1, to reflect the CTA plan's annual adjustment of the fee.

B. Governing or Constituent Documents
Not applicable.

C. Implementation of Amendment

The Network A Participants have conducted a pilot program that permits vendors to disseminate a Network A last sale price information ticker by means of broadcast, cable and/or satellite television. Given the success of that pilot program, the CTA Plan limitation on the duration of pilot programs and the approach of the pilot program termination dates set forth in the earliest contracts that pilot participants enter into, the Network A Participants believe that it is now appropriate to convert the real-time Network A ticker initiative from a pilot program to a permanent part of the Network A rate schedule. The proposed new fee is identical to that which applied during the pilot program. (The Network A Participants note that with the termination of the real-time Network A ticker pilot program, Network A will have no remaining pilot programs in effect.)

Because the amendment establishes a fee collected on the Network A Participants' behalf in connection with access to, or use of, the facilities contemplated by the Plans, the amendment becomes effective upon filing with the Commission.

As a result, the amendment will "be implemented" immediately, as the new Network A fee will supersede and replace the pilot program. As additional vendors undertake to transmit the Network A ticker over television, they will be subject to the new fee in

¹ 17 CFR 240.11Aa3-2.

² Each Participant of the Plan executed the amendments. The Participants are the American Stock Exchange LLC, Boston Stock Exchange, Inc., Chicago Board Options Exchange, Inc., Chicago Stock Exchange, Inc., Cincinnati Stock Exchange, Inc., National Association of Securities Dealers, Inc., New York Stock Exchange, Inc., and Philadelphia Stock Exchange, Inc.

³ The CTA Plan has been designated as an effective transaction reporting plan pursuant to Rule 11Aa3-1(b). 17 CFR 240.11Aa3-1(b).

⁴ 17 CFR 240.11Aa3-2(c)(1).

⁵ 17 CFR 240.11Aa3-2.

accordance with the guidelines set forth in this letter.

D. Development and Implementation Phases

See Item I(C).

E. Analysis of Impact on Competition

The amendment will impose no burden on competition.

F. Written Understanding or Agreements Relating to Interpretation of, or Participation in, Plan

The Participants have no written understandings or agreements relating to interpretation of the CTA Plan as a result of the amendment.

G. Approval by Sponsors in Accordance with Plan

Under Section IV(b) of the CTA Plan, each CTA Plan Participant must execute a written amendment to the CTA Plan before the amendment can become effective. The amendment is so executed.

H. Description of Operation of Facility Contemplated by the Proposed Amendment

Not applicable.

I. Terms and Conditions of Access

Not applicable.

J. Method of Determination and Imposition, and Amount of, Fees and Charges

In determining the amount of the fee, the Network A Participants have carried over the same fee that has applied during the real-time Network A television ticker pilot program.

The pilot program fee was established through a process of discussion and negotiation with the first participants in the pilot program. In the view of the Network A Participants, using the number of households reached as the billing metric for the dissemination of last sale price information through television is a reasonable counterpart to metrics used in other contexts, such as counting devices or quote packets. The billing metric is the same as television advertisers use, a fact that serves to discipline accuracy of the households-reached count (since the television networks have incentives to maximize the number of households reached while the advertisers have incentives to minimize the number).

The Network A Participants believe that the level of the fee is fair and reasonable and allows the television vendors to contribute an appropriate amount for the market data services that they provide. It constitutes a reasonable

allocation of the costs of running the Network A securities markets to the purveyors of television ticker services.

K. Method and Frequency of Processor Evaluation

Not applicable.

L. Dispute Resolution

Not applicable.

II. Rule 11Aa3-1⁶

A. Reporting Requirements

Not applicable.

B. Manner of Collecting, Processing, Sequencing, Making Available and Disseminating Last Sale Information

The new fee will permit vendors to disseminate a ticker stream of Network A last sale price information to viewers of broadcast, cable or satellite television.

C. Manner of Consolidation

Not applicable.

D. Standards and Methods Ensuring Promptness, Accuracy and Completeness of Transaction Reports

Not applicable.

E. Rules and Procedures Addressed to Fraudulent or Manipulative Dissemination

Not applicable.

F. Terms of Access to Transaction Report

The Network A Participants will require vendors of Network A television ticker services to enter into the standard form of vendor agreement. It is the same form that the CTA Plan Participants require all vendors to enter into.

G. Identification of Marketplace of Execution

Not applicable.

III. Solicitation of Comments

The CTA has designated this proposal as establishing or changing fees and other charges collected on behalf of all of the sponsors and participants, which under Rule 11Aa3-2(c)(3)(i)⁷ of the Act renders the proposal effective upon receipt of this filing by the Commission.

The Commission may summarily abrogate the amendment within sixty days of its filing and require refilling and approval of the amendments by Commission order pursuant to Rule 11Aa3-2(c)(3)(iii)⁸ of the Act, if it appears to the Commission that such action is necessary or appropriate in the

public interest, for the protection of investors or maintenance of fair and orderly markets, to remove impediments to, and perfect the mechanisms of, a national market system, or otherwise in furtherance of the purposes of the Act.

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposal is consistent with the Act. Persons making written submissions should file six copies thereof with the Secretary, Securities and Exchange Commission, 450 Fifth Street, NW, Washington, D.C. 20549-0609. Copies of the submission, all subsequent amendments, all written statements with respect to the proposed amendment that are filed with the Commission, and all written communications relating to the proposal between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for inspection and copying in the Commission's Public Reference Room. Copies of the amendment will also be available for inspection and copying at the principal office of the CTA. All submissions should refer to File No. SR-CTA-2001-02 and should be submitted by August 27, 2001.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.⁹

Margaret H. McFarland,
Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-44615; File No. SR-CTA-2001-3]

Consolidated Tape Association; Notice of Filing and Immediate Effectiveness of Third Substantive Amendment to the Second Restatement of the Consolidated Tape Association Plan

July 30, 2001.

Pursuant to Rule 11Aa3-2¹ of the Securities Exchange Act of 1934 ("Act"), notice is hereby given that on July 16, 2001, the Consolidated Tape Association ("CTA") participants ("Participants")² filed with the

⁹ 17 CFR 200.30-3(a)(27).

¹ 17 CFR 240.11Aa3-2.

² Each Participant executed the amendment. The Participants are the American Stock Exchange LLC ("AMEX"), Boston Stock Exchange, Inc. ("BSE"), Chicago Board Options Exchange, Inc. ("CBOE"), Chicago Stock Exchange, Inc. ("CHX"), Cincinnati Stock Exchange, Inc. ("CSE"), National Association of Securities Dealers, Inc. ("NASD"), New York

⁶ 17 CFR 240.11Aa3-1.

⁷ 17 CFR 240.11Aa3-2(c)(3)(i).

⁸ 17 CFR 11Aa(c)(3)(iii).